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DEPARTMENT FOR ISN/CB AND EUR/AGS

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TAGS: [PARM](#) [PREL](#) [ETTC](#) [CBW](#) [IR](#) [RS](#) [AU](#)
SUBJECT: AUSTRALIA GROUP: AUSTRIAN RESPONSE TO DEMARCHE
PROMOTING PARTICIPATION IN PLENARY INFO EXCHANGE AND
EXPERTS ENFORCEMENT MEETINGS

REF: STATE 16112

Classified By: Economic-Political Counselor Dean Yap for reasons 1.4
(b), (d), and (h)

¶1. (C) EconUnit Chief delivered reftel points on February 25 to Helmut Krehlik, Head of the Ministry of Economics' Import and Export Control Division. Krehlik agreed to take an active part in both the discussion on Russia's export control regime and on Iranian efforts to procure technology and equipment that could support a biological weapons program.

Russia's CBW Regime Adequate, But Other Problems Exist

¶2. (C) Krehlik said, that through his frequent participation on EU-Russian cooperation projects, he had acquired a good knowledge of Russia's strengths and weaknesses in the export control field. Krehlik (please protect) claimed that, in his opinion, Russia's export controls for chemical and biological weapons were adequate, but that the GoR had serious organizational problems in other areas of export control. For instance, Krehlik pointed out that there is no master control list, rather authorities must work from six different control lists. Moreover, Krehlik maintained that there are approximately 20 Russian governmental bodies that share competency and approval authority for export license applications.

¶3. (C) Krehlik added that even if one believed Russia's regime was sufficient to allow it to join the Australia Group (AG), there were important political questions to consider. According to Krehlik, EU-Russian cooperation on export controls had never breached the topic of corruption, which undoubtedly remained a concern in Russia. Also, the Russians had not played a particularly constructive role in other arms and export control organizations, including Wassenaar and the Missile Technology Control Regime. Krehlik cautioned that Russian membership in the AG may replicate many of the problems we have experienced in these organizations.

Iran: A Better View of Exports Thanks to UN Sanctions

¶4. (C) Krehlik said he would be willing to share information with the Plenary on Iranian trade patterns. Since the imposition of UNSCRs 1737 and 1747, Austrian customs had begun checking virtually all exports to Iran. Freight forwarders have also become extremely cautious about shipping to Iran, as Annex 1 and Annex 2 of EU Regulation 1423 prohibits deliveries, as well as exports of listed goods to Iran. Krehlik maintained that Austrian authorities therefore

have a very good overview of what is being exported to Iran from Austria. However, Krehlik noted that, since the implementation of the UNSCRs, the GoA had stopped only "a handful" of shipments that were destined for critical end-users. Krehlik speculated that Iran had shifted its trading patterns away from Europe to countries, e.g., China and Turkey, with less rigorous implementation of the UN sanctions.

Kilner